

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

IN RE: CITY OF DETROIT, . Docket No. 13-53846
MICHIGAN, .
 . Detroit, Michigan
 . April 15, 2015
Debtor. . 1:43 p.m.
.

HEARING RE. MOTION OF THE CITY OF DETROIT, PURSUANT TO
SECTIONS 105(a) AND 502(c) OF THE BANKRUPTCY CODE AND
BANKRUPTCY RULE 3021, FOR AN ORDER APPROVING RESERVE
AMOUNTS FOR CERTAIN DISPUTED OR UNLIQUIDATED
UNSECURED CLAIMS IN CONNECTION WITH DISTRIBUTIONS
TO BE MADE UNDER THE EIGHTH AMENDED PLAN FOR THE
ADJUSTMENT OF DEBTS OF THE CITY OF DETROIT
BEFORE THE HONORABLE THOMAS J. TUCKER
UNITED STATES BANKRUPTCY COURT JUDGE

APPEARANCES:

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1 THE CLERK: Please rise. This Court is back in
2 session. You may be seated. Court will call the matter of
3 the City of Detroit, Michigan, Case Number 13-53846.

4 MR. ELLMAN: Good morning, your Honor.

5 THE COURT: Good afternoon to everyone.

6 MR. ELLMAN: Should say good afternoon.

7 THE COURT: Go ahead. Your appearances?

8 MR. ELLMAN: Thank you, your Honor. Jeffrey Ellman
9 from Jones Day on behalf of the City of Detroit.

10 THE COURT: Any other appearances? We have at least
11 one person on the phone who's listening on a participating
12 basis. Who's that?

13 MR. ROSENBLAT: Your Honor, you have Heath Rosenblat
14 from Drinker, Biddle & Reath on behalf of Wilmington Trust
15 National Authority. We were the COP trustee and contract
16 administrator.

17 THE COURT: All right. Thank you. Mr. Ellman --

18 MR. ROSENBLAT: Thank you, your Honor.

19 THE COURT: I'm sorry.

20 UNIDENTIFIED SPEAKER: Can I ask why you're
21 considering doing it?

22 THE COURT: Somebody just said something on the
23 phone. I didn't hear you. What was that? All right. I
24 guess nothing. Mr. Ellman, of course we're here for a
25 hearing on the city's motion regarding approval of reserve

1 amounts for --

2 MR. ELLMAN: We are.

3 THE COURT: -- disputed and unliquidated claims
4 relating to Class 14 of the confirmed plan. What would you
5 like to say?

6 MR. ELLMAN: Well, I would like to give a little
7 background and maybe run through a few highlights. I'm not
8 going to try to go into too much detail because the motion is
9 very extensive, as your Honor is aware. We were here last
10 time -- at least I was here last time. I know there's been a
11 hearing intervening, but the last time I was here we were on
12 a status conference about the case, and we were talking about
13 the numerous steps we've taken to implement the plan, and
14 this is really another step in that litany of things we're
15 doing. And this is to allow the city to begin to make
16 distributions sometime hopefully soon for Class 14, which is
17 the unsecured claims class, and this is really about Class
18 14. That's what this motion deals with. And as the Court
19 may recall, we have about \$20.6 million in new B notes issued
20 under the plan that will be shared pro rata by the Class 14
21 claimants once they have allowed claims. Now, we still at
22 this point have a substantial number of disputed claims, and
23 although I think we've made very significant progress and we
24 will continue to make progress in advance of our June 8th
25 deadline to object to claims, there's still more work to be

1 done. And by the way, your Honor, I believe that you'll
2 probably be seeing sometime soon a motion to extend that
3 deadline to object to claims just to provide more time
4 because there are several thousand claims, and it is a
5 complicated process.

6 But having said all that, the plan contemplates that
7 we would make distributions to allowed claims before we would
8 have to resolve every disputed claim, and it does that by
9 this mechanism referred to as the disputed claims reserve.
10 And, your Honor, that's in Section VI.B, VI.B of the plan,
11 and that effectively, your Honor, establishes what I would
12 call the denominator for the pro rata calculation, so we
13 could wait till every claim gets allowed and then figure out
14 how to divide up the B notes, but the plan allows us to
15 figure out what we think the rational denominator could be
16 and do the math sooner and effectively assuming that all the
17 disputed claims become allowed in some amount. The plan
18 refers to that amount as the face amount, which is a defined
19 term. It's in Section I.A.185, and that -- within that
20 definition and within the description of the disputed claims
21 reserve, it contemplates that the Court has the ability to
22 approve or set the amounts for the claims reserve for this
23 denominator, so the predicates for relief, your Honor, are
24 105(a) and Section 502(c) of the Bankruptcy Code, Bankruptcy
25 Rule 3021, and, of course, in particular, the plan and the

1 sections I just cited, Sections I.A.185, and VI.B.

2 We did serve the motion. We talked about this, I
3 think, last time I was here. We served the motion on all
4 Class 14 creditors, and that included parties who would be in
5 Class 14 except for the fact that the plan allows their
6 claims to pass through the plan. They'll be paid in the
7 normal course, but we did give them to those parties as well
8 and to the entire 2002 list who had asked for notice in this
9 case, the parties requesting notice.

10 We did receive a number of formal and informal
11 responses. I'll get to those in a moment. The only thing I
12 would say at this juncture is just that none of those
13 responses, as far as I can tell, are really challenging the
14 overall relief requested or the methodology we've used.
15 They're really focusing more on the substance of claims,
16 which we're not dealing with today at all, and they're
17 dealing with in many cases matters unrelated to this motion
18 at all, things about the plan and pensions and the like that
19 have no bearing on what we're asking the Court to do.

20 So just to give the Court a couple of highlights of
21 what we're trying to do with this motion, of course, the goal
22 is to create a fair and conservative reserve so we can make
23 sure that if we start to distribute B notes there will be
24 enough left for everyone but not make it so gigantic that
25 it's unfair to parties getting a distribution. We'd like to

1 make the best distribution we reasonably can.

2 Now, the motion asks for a reserve of 1.035 billion,
3 which is obviously very significant, much larger than the
4 \$150 million we estimate this class to end up being at the
5 end of the day, which is in the disclosure statement, but
6 it's largely based on the fact that there are very large
7 filed claims now that are still not resolved. The way we've
8 approached this is we've created three fairly simple
9 categories, I think, to deal with this.

10 THE COURT: Before you get into the categories --

11 MR. ELLMAN: Yeah, sure.

12 THE COURT: -- let me ask you a question --

13 MR. ELLMAN: Um-hmm.

14 THE COURT: -- or two about how this reserve works.
15 First of all, you mentioned at the outset that there's
16 roughly \$20.6 million worth of new B notes that are -- that
17 is --

18 MR. ELLMAN: Um-hmm; correct.

19 THE COURT: -- basically the pot that's ultimately
20 to be distributed to the allowed Class 14 claims.

21 MR. ELLMAN: That's correct.

22 THE COURT: All right. And I think I saw in the
23 confirmed plan where that number comes from, but in each
24 place where the two components of that number are in the
25 plan -- and rather than sections, I have page numbers in the

1 confirmed plan, pages 37 to 44 -- in each place it states the
2 amount of the new B notes as approximate. For example, the
3 treatment of Class 14 refers to the class receiving a pro
4 rata share of approximately 16.48 million in new B notes --

5 MR. ELLMAN: Um-hmm.

6 THE COURT: -- plus the distribution that's on page
7 37 relating to the COP settlement, which says that the class
8 also is to get approximately 4.12 million to be distributed
9 pro rata among holders of Class 14 allowed claims, so both
10 numbers are stated as approximations in the plan. Is there
11 some -- how is the exact amount -- dollar value of the new B
12 notes that is the total pot --

13 MR. ELLMAN: Right.

14 THE COURT: -- for Class 14 determined?

15 MR. ELLMAN: Well, and it is all within the
16 confines, I think, of all the various exhibits and the like.
17 We have actually issued all those B notes, so there is a
18 precise number that has been issued. The way it worked, your
19 Honor, is we have a disbursing agent that was hired to
20 coordinate disbursements to creditors. That is a third
21 party. And the B notes had to be issued on the effective
22 date, and they, in fact, were issued to the disbursing agent
23 on behalf of this group, and that math was done consistent
24 with the plan and the various exhibits. I would have to
25 piece through exactly where the exact numbers came from,

1 which I don't think I could do standing here at the podium,
2 but there was a precise number. It's not at this point
3 subject to change. It is a specific amount and was issued.
4 The notes are being held by U.S. Bank as the disbursing
5 agent, and I'd be happy to provide the Court with an exact
6 number, which I didn't bring with me today, but it is -- for
7 example, in the disbursing agent agreement that was approved,
8 it has the precise number in there, and those shares -- or
9 excuse me -- those bonds have been issued.

10 THE COURT: Was that one of the exhibits to the
11 confirmed plan?

12 MR. ELLMAN: I don't think it was a -- I don't think
13 it was filed with the Court, your Honor, but it was part of
14 the plan effective date transactions that we signed of that
15 agreement.

16 THE COURT: I just couldn't find it, you know, and I
17 know there's a lot of exhibits.

18 MR. ELLMAN: I appreciate that.

19 THE COURT: I couldn't find looking at it and being
20 fairly new to the case where these approximate numbers were
21 actually made exact in the confirmed plan.

22 MR. ELLMAN: Yes. And I know they were made exact,
23 and it is complicated to piece a lot of this together, but
24 we'd be happy to try to do that for the Court. I don't think
25 I'm prepared to do that while I stand here, but --

1 THE COURT: I'll ask you to file a supplement --

2 MR. ELLMAN: Okay.

3 THE COURT: -- to this motion which states precisely
4 where in the plan and plan exhibits the Court -- one may
5 ascertain the exact amount of the total pot of new B notes
6 for Class 14.

7 MR. ELLMAN: Okay. Where within the plan or
8 otherwise I guess would be the --

9 THE COURT: Pardon? Yeah, sure.

10 MR. ELLMAN: -- within the plan or otherwise.

11 THE COURT: Well, exhibits are part of the confirmed
12 plan.

13 MR. ELLMAN: Right.

14 THE COURT: And exhibits -- yeah, sure.

15 MR. ELLMAN: And effectively how we calculated that
16 number and where it came from.

17 THE COURT: Yeah. And, you know, cite me where in
18 the docket entries these things are, and I just would like to
19 have a citation. While awaiting that -- you know, I'm not
20 going to hold up this motion while awaiting that, but I would
21 like to have that, and so --

22 MR. ELLMAN: Okay.

23 THE COURT: -- I'm not going to delay any action on
24 this motion for you to file that, but I would like to have
25 that, so how soon --

1 MR. ELLMAN: I appreciate that, your Honor.

2 THE COURT: -- do you think you might be able to
3 file that?

4 MR. ELLMAN: I don't think it will be very hard, but
5 I guess I'd like at least -- what's today -- Wednesday --
6 maybe by Monday or something.

7 THE COURT: How about a week?

8 MR. ELLMAN: A week is fine, Judge, sure.

9 THE COURT: Okay. April 22.

10 MR. ELLMAN: April 22?

11 THE COURT: And, you know, there's no great urgency
12 for that for me, but it's just for my own -- make sure I have
13 a good understanding of everything relevant to this motion.

14 MR. ELLMAN: Absolutely.

15 THE COURT: I'd like to have that, so thank you for
16 that.

17 MR. ELLMAN: That is not a problem, your Honor.

18 THE COURT: I had another question, and this has to
19 do with a little bit about how the reserve -- this reserve is
20 to work under the confirmed plan. If I understand it
21 correctly, the plan provision which you cite, which you
22 quoted in your motion, required -- one second -- Section
23 VI.B --

24 MR. ELLMAN: Um-hmm; correct.

25 THE COURT: -- required for this reserve that the

1 city establish and maintain a reserve of property equal to
2 and the rest of the provision. The property being reserved
3 is the new B notes; right?

4 MR. ELLMAN: That's correct. That's the only
5 property that this --

6 THE COURT: Yeah.

7 MR. ELLMAN: -- class is entitled to.

8 THE COURT: Right.

9 MR. ELLMAN: That's correct.

10 THE COURT: Okay. And so if I understand this
11 correctly, with this reserve what you would do -- let's say
12 the reserve is approved in an initial amount of the one
13 point -- round numbers, one billion. One billion. And I
14 think your motion said that currently -- and this was as of
15 March 3 when you filed your motion. This may have changed
16 since then, but you said there that allowed claims in Class
17 14 currently is a total amount of 28.2 million, roughly --

18 MR. ELLMAN: Um-hmm.

19 THE COURT: -- so you got -- you take the 28.2
20 million of allowed claims, you take the one billion reserve,
21 add those two together, and then from that total you
22 determine what amount or percentage of the 20.6 million worth
23 of new B notes can be distributed right now to the allowed
24 secured claim pool.

25 MR. ELLMAN: Unsecured, yes.

1 THE COURT: Allowed unsecured.

2 MR. ELLMAN: Yes.

3 THE COURT: The 28.2 million or whatever it is.

4 MR. ELLMAN: I mean effectively the disputed reserve
5 number plus that allowed number together would be the
6 denominator --

7 THE COURT: Right.

8 MR. ELLMAN: -- of the pro rata calculation, so if
9 you had a million dollar claim that was allowed, you would be
10 sharing -- your pro rata piece would a million out of one
11 billion something, and that would be your percent of the new
12 B notes.

13 THE COURT: And the new B notes, that would be of
14 the total 20.6 million.

15 MR. ELLMAN: Of the total, yeah. Right. Exactly.

16 THE COURT: The total B notes.

17 MR. ELLMAN: The total B notes.

18 THE COURT: Okay. So then moving forward, as your
19 motion contemplates, as claims become -- some claims become
20 allowed, Class 14 claims, that were as part of the reserve,
21 you're going to take those -- whatever the reserve amount for
22 those claims were out of the reserve, and then at some point
23 you're going to make a distribution to those newly allowed
24 claims.

25 MR. ELLMAN: That's correct.

1 THE COURT: And that's going to be based on what?
2 The percentage dividend that the previously -- previous
3 distribution of allowed claims was?

4 MR. ELLMAN: Typically, the way we would do this --
5 and the plan provides some flexibility on the city's behalf
6 in doing this, but typically what you would do is have set
7 distribution dates, and the plan, in fact, says -- I can try
8 to find the provision for your Honor. I think it's on page
9 65 of the plan, Article V, Section F. What it says is that
10 the city or in this case through the disbursing agent will
11 make an informed decision about how to make payments as
12 quickly as possible while also, you know, minimizing the
13 cost. We're not going to do a distribution every day. So
14 when we make those distributions, everyone will get
15 effectively the same percent. And if we've made, let's say,
16 a couple distributions and we are making a new one today and
17 your claim just got allowed, we will redo the math for what
18 the reserve is today. Our procedures say we'll file that two
19 weeks before we do distributions. People can look at it. If
20 anyone has a problem, they'll at least have a chance to come
21 tell us or come to the Court, and then we will do the math
22 and say, okay, you get this percent pro rata of the B notes.
23 We'll send you your B notes. We'll go back to the people
24 who -- the parties, allowed creditors, who had received
25 distributions in the past. We'll say, well, if we made a

1 distribution today, based on the new numbers, you would have
2 received, you know, ten dollars in B notes, and you've
3 already received three from the prior two times you've gotten
4 something. You'll get seven more. So everyone will always
5 stay caught up to each other, but under Section V.F of the
6 plan, when those dates are is not set in stone. It's going
7 to be kind of a judgment call based on when it's most
8 efficient to do that as quickly as we can.

9 THE COURT: And, by the way, when does the city want
10 to -- or hope to do the first distribution to --

11 MR. ELLMAN: Well, it hasn't been --

12 THE COURT: -- allowed Class 14 claims?

13 MR. ELLMAN: It hasn't been set yet. They're still
14 working out some mechanics of the distribution. This is
15 obviously one of the key steps in doing that. I would
16 imagine in the next number of months. I don't have a date
17 for your Honor. We did talk about this earlier today, and I
18 think the commitment is as soon as we can be ready after the
19 reserve is set, but that may require a couple things still to
20 happen, one of which is we have a number of claims that are
21 going to be designated as allowed. The city -- and Mr.
22 Nosedá is here from the law department -- they are going
23 through a lot of data at the moment so they can carefully
24 make sure we're allowing the right claims in Class 14. That
25 may take a bit of time, so I imagine it still might be a

1 couple months away, maybe sooner, maybe longer, just
2 depending.

3 THE COURT: So there's a batch of Class 14 claims
4 that soon will be designated as allowed.

5 MR. ELLMAN: We're hopeful of that, yes. That's our
6 plan. It has not happened between the time we filed this
7 motion and today. We were hoping to have done that maybe as
8 of today, but that hasn't happened, but we're still working
9 on that.

10 THE COURT: Has the pool or the amount of the
11 allowed claims changed from the 28.2 million that was --

12 MR. ELLMAN: Not to my knowledge, no.

13 THE COURT: -- stated in the motion?

14 MR. ELLMAN: I don't believe it has.

15 THE COURT: No. Okay. Okay. So I interrupted you
16 with questions. Go ahead with where you were.

17 MR. ELLMAN: No. That's fine. I would much prefer
18 to answer your questions than just talk.

19 THE COURT: I will display my ignorance -- I'll
20 display my ignorance at every opportunity in this case.

21 MR. ELLMAN: Well, I was just going to give the
22 overview of the program, which I'm sure you're already aware
23 is -- and the simplest part of it is the fact that -- and
24 it's very consistent with how the plan defines face amount.
25 We didn't try to change it because we each have a group of

1 claims that have numbers in them, and we just -- we're using
2 those numbers. If it was called an estimate, if it was
3 called a precise number, if it was called a demand --
4 whatever they called that number, if a claimant put a number
5 in the proof of claim form and it's in Class 14, we used that
6 number, and that comprises \$968 million of this reserve, and
7 that's by far the biggest piece of this. And there are a
8 number of large claims. I will point out -- I know the Court
9 had a status -- I can't recall the exact date, but maybe last
10 week -- on the AFSCME and the coalition union claims. Those
11 two claims alone are roughly 545 million of that 968, so --

12 THE COURT: And those are listed as are the others
13 in your exhibit --

14 MR. ELLMAN: They are, yes.

15 THE COURT: -- your revised Exhibit 6.1.

16 MR. ELLMAN: Correct.

17 THE COURT: Yeah. Okay.

18 MR. ELLMAN: They are. And they were in the
19 original one as well, those two claims, and so the number is
20 kind of a very large number, but we do have claims such as
21 those, which, as the Court is already aware, we do contest,
22 and we think those should be zero, so we don't know where
23 they'll end up. We're going to reserve the full amount at
24 this point so that if they for whatever reason became
25 allowed, we could pay them their full pro rata share.

1 The second group were the unliquidated claims or
2 claims that had unliquidated amounts in them. We set that at
3 47 million. The biggest piece of that also relates to the
4 same issues that you see in the coalition and in the AFSCME
5 claim because we have a number of other unions and
6 individuals raising claims related to the CETs or the
7 citywide employment terms, and as we explained in our papers,
8 we came up with a number of \$45 million for everyone who
9 wasn't already covered by the coalition, and it's based on
10 what we've announced were cost savings under the CETs or the
11 citywide employment terms, again, not that we agree with that
12 number, but that is another significant number, the biggest
13 part of the unliquidated reserve, if those were to be
14 allowed. And the litigation claims were reviewed by the law
15 department very carefully, and we've added a million dollars
16 for the remaining amounts and another million dollars for
17 things like trade claims and rejection damage claims that
18 didn't have numbers in them, again, based on our internal
19 valuation and a good faith estimate.

20 And then the last category was just a contingency
21 category, which we thought was prudent in the circumstances,
22 for unknown claims, and that would include 502(h) claims that
23 were filed. We do have -- again, at our status conference we
24 revealed that we were looking at about 100, \$110 million of
25 possible preferences. We don't know if there will be 502(h)

1 claims, but we felt like we should reserve a not
2 insignificant amount for that, claims that might get
3 reclassified into Class 14 and other issues that we just
4 don't contemplate, so we concluded that 20 million was a
5 rational and fair way to reserve for that.

6 And so, again, the city believes that this is a fair
7 and appropriate approach. They've used their business
8 judgment in good faith. In most cases, we simply used the
9 claimant's number, so we think that is both rational and
10 appropriate and also consistent with the plan. And, again,
11 this is an approach that hasn't been challenged by anyone in
12 any of the filings I've seen to date. And 502(c) is a very
13 flexible standard, and we cited in our papers cases where
14 502(c) has been used to establish these types of plan
15 reserves. The other thing we've asked for in our papers --

16 THE COURT: And, of course -- and I think, as you --
17 I think, as you made clear in your motion papers, this motion
18 doesn't ask the Court to actually estimate a claim for
19 allowance purposes at all --

20 MR. ELLMAN: Absolutely not.

21 THE COURT: -- any claim. It's strictly for
22 establishing a total reserve --

23 MR. ELLMAN: That's correct.

24 THE COURT: -- for disputed claims --

25 MR. ELLMAN: Absolutely correct.

1 THE COURT: -- or unliquidated. Okay. All right.

2 MR. ELLMAN: We're not asking the Court to find or
3 limit in any way a future finding about the amount or
4 classification or treatment of a claim. That's all outside
5 the scope of this motion. But we did ask the Court to do one
6 other thing in the motion, which was to approve what we had
7 proposed as some rules for administering this reserve. There
8 are a number of them. I guess the couple I want to just
9 point out, which you've already mentioned, your Honor, is
10 once claims are resolved, we will revise the reserve
11 accordingly, so that number is going to start to come down as
12 we resolve claims. We have built in some flexibility to
13 maybe reduce the amount slower depending on what we're seeing
14 in the claims process. The number can never go up above
15 where we set it today, but we have some flexibility on the
16 contingency reserve to adjust that over time in good faith,
17 and the notice -- I already mentioned the notice. We will
18 file a notice of what we do in advance of any distribution by
19 ten business days, so basically two weeks, so we wanted to
20 make sure this was a transparent process and people had a
21 chance to see it, including your Honor, and so we proposed
22 doing that notice.

23 THE COURT: The last thing, I guess, to talk about
24 were the responses because there were a number of filings.
25 In fact, as I was traveling here, I understand there were

1 maybe another 30-some that ended up on the docket this
2 morning.

3 THE COURT: Well, there were a whole slew of them
4 that came in yesterday --

5 MR. ELLMAN: Yeah.

6 THE COURT: -- were filed yesterday, I think, in the
7 afternoon --

8 MR. ELLMAN: Okay.

9 THE COURT: -- and then this morning they were put
10 on the docket but dated as filed April 14 because they --

11 MR. ELLMAN: Okay.

12 THE COURT: -- came in yesterday, a whole bunch of
13 these form notices --

14 MR. ELLMAN: Yeah. That's what I heard, yes.

15 THE COURT: -- that you've been seeing, which I
16 caused those notices -- notice documents to be docketed and
17 filed but not docketed as being associated with or linked to
18 or responses to this motion because --

19 MR. ELLMAN: Okay.

20 THE COURT: -- I looked them over, and I didn't
21 think they ought to be characterized that way.

22 MR. ELLMAN: Okay.

23 THE COURT: So we just said motion filed by so-and-
24 so, period.

25 MR. ELLMAN: Okay.

1 THE COURT: And, you know, I looked at all those,
2 those notice documents, and none of them -- if they were
3 intended as objections or responses to your motion, they
4 don't say anything --

5 MR. ELLMAN: Okay. Well, if they were --

6 THE COURT: -- about the motion, so they're not --
7 those documents, although you may not have had a chance to
8 review them -- and I'll just say they're -- let me give you
9 the docket numbers of those. Here I'm talking about Docket
10 Numbers 9685 through 9690, the documents that say notice
11 filed by so-and-so.

12 MR. ELLMAN: Yeah.

13 THE COURT: Those are out. They're not -- they're
14 disregarded. I'm not going to consider them as objections or
15 responses to your motion.

16 MR. ELLMAN: Right.

17 THE COURT: Aside from the fact they don't say
18 anything, they're very untimely obviously filed --

19 MR. ELLMAN: Obviously.

20 THE COURT: -- the day before the hearing and long
21 after the response deadline, but -- and then you have the
22 other ones that are --

23 MR. ELLMAN: On a form.

24 THE COURT: -- I think 27, 28, 31, something --

25 MR. ELLMAN: I was told -- I was told 28.

1 THE COURT: -- pile of papers -- yeah --

2 MR. ELLMAN: Yeah. I was told 28.

3 THE COURT: -- that came in the mail yesterday,
4 again, very untimely, and I'm not sure any of those say
5 anything substantive, but have you had a chance to review
6 those?

7 MR. ELLMAN: They were described to me on the
8 telephone by one of my colleagues, who said that there were
9 28 that were the same form we had seen already filed and 6
10 that were just a notice that didn't have an objection in
11 them, so I think that's consistent with what your Honor is
12 telling me, so I don't think that's going to slow us down
13 today.

14 We did file a reply on the docket -- 9652 is the
15 docket number -- your Honor probably has seen, and we tried
16 to -- at that time, we had 33 objections we were responding
17 to.

18 THE COURT: Yeah, I did see that, and I reviewed
19 that, yes.

20 MR. ELLMAN: Yeah. And we did a little chart at the
21 back summarizing where we are with each of these. We did
22 resolve a few, including the Wilmington Trust, who's on the
23 phone, the DFFA, which is one of our unions, and a couple of
24 other people we explained the motion to, and they're not
25 going to pursue their objections. We listed those in our

1 chart, but a number of them we didn't resolve or weren't able
2 to resolve despite trying to call most of the people we could
3 find, but most of the remaining objections are in kind of one
4 of two groups, which are the ones raising something
5 substantive about their claim, about the amount or what class
6 it should be in or treatment, and, again, our motion doesn't
7 deal at all with that. It's simply if your claim ends up in
8 Class 14, we're reserving something maybe for it if it's
9 appropriate, and those objections are about something else,
10 and those are all issues reserved for another day. And there
11 are a number of them that are not objections to our motion
12 but objections to the bankruptcy process or the plan or
13 pensions or something that is beyond the scope of the motion.
14 Many of them are collateral attacks on the confirmation order
15 or the confirmation process, and, again, we don't see those
16 as relevant to today's motion. There are a number of them
17 also, I guess, in the form of a notice, as your Honor
18 mentioned, that don't say anything other than, "I object,"
19 or, "I do not accept the relief," and then obviously the --

20 THE COURT: Some of them don't even say that.

21 MR. ELLMAN: Some of them don't even say that, and,
22 of course, there are some that are just actually late or
23 maybe substantially late, so, in our view, there's really
24 nothing in those objections of substance that would prevent
25 the Court from overruling -- or from granting our motion, and

1 they should all be overruled. Our motion should be granted.

2 I'm happy to answer questions about them. I guess
3 otherwise I would simply reserve time to respond to anyone
4 who ends up speaking today to raise an issue about any of
5 those remaining objections and, of course, answer any
6 questions of the Court, but I don't feel like it's necessary
7 for me to speak further about any of the filings.

8 THE COURT: So have you -- as you know, in your --
9 as attachments to your reply that you filed last Friday,
10 Docket 9652, you attached revised Exhibits --

11 MR. ELLMAN: Correct.

12 THE COURT: -- 6.1, 6.2, 6.6, to update what you had
13 filed --

14 MR. ELLMAN: Correct.

15 THE COURT: -- with your original motion on March
16 3rd. Do you have any other changes, or does that, combined
17 with the unchanged exhibits attached to your motion,
18 constitute the current list of schedules for purposes of
19 granting the motion?

20 MR. ELLMAN: That would be the current set of
21 schedules for granting the motion, and if the Court were
22 inclined to grant the motion, we would be prepared to -- I
23 don't have it with me today, but we would be prepared to
24 submit an order that grants the motion. Basically the form
25 of order that was attached to the motion probably with some

1 modest changes to reflect that the objections would be
2 overruled would be what we would like it to say to the extent
3 not -- to the extent those objections were not resolved, but
4 the schedules you have now between the motion and the revised
5 schedules we filed are, in our view, the current and most
6 accurate schedules.

7 THE COURT: All right. Anything else before we hear
8 from others?

9 MR. ELLMAN: No. Unless you have questions, your
10 Honor, I'm done.

11 THE COURT: Not at the moment I don't.

12 MR. ELLMAN: Thank you.

13 THE COURT: All right. Let me start by asking
14 whether -- Mr. Rosenblat on the telephone, whether you wanted
15 to say anything about this motion.

16 MR. ROSENBLAT: No, your Honor. He represented what
17 they did with our claim just fine, and we have nothing
18 further. Thank you.

19 THE COURT: All right. Let me ask whether there are
20 any people in the courtroom, either counsel for parties in
21 interest or parties themselves who are representing
22 themselves, who want to say anything today about this motion
23 that is before the Court today. Come on up to the podium if
24 you want to say something.

25 UNIDENTIFIED SPEAKERS: We can't hear you.

1 THE COURT: If you want to say anything about the
2 motion, come on up to the podium.

3 MR. DWORETSKY: Thank you, your Honor.

4 THE COURT: Just a minute.

5 MR. DWORETSKY: Sure.

6 THE COURT: Come on up. Line up. You can sit in
7 the chairs there, but we'll just take you in turn. Just a
8 minute. All right. I'll ask each of you as you come to the
9 podium to speak into the microphone and begin by identifying
10 yourself for me, please, and for the record. Sir, go ahead.
11 You are who?

12 MR. DWORETSKY: David Dworetsky. I'm an attorney
13 for Fieger Law. We represent Steven Wolak, personal
14 representative of the estate of Christopher Wolak.

15 THE COURT: All right. One second. David -- your
16 name again? David what?

17 MR. DWORETSKY: Dworetsky, D-w-o-r-e-t-s-k-y.

18 THE COURT: And the creditor you represent you said
19 is Wolak?

20 MR. DWORETSKY: Claimant is the estate of
21 Christopher Wolak.

22 THE COURT: All right. One second, please. And
23 you, sir, filed, if I've got it correct, an objection on
24 March 23, 2015, titled "Objection of Stephen Wolak as
25 personal representative of the estate of Christopher Wolak,

1 deceased," et cetera?

2 MR. DWORETSKY: Correct.

3 THE COURT: Okay. Go ahead. What do you want to
4 say?

5 MR. DWORETSKY: Your Honor, after discussion with
6 counsel for the city and listening to the proceedings herein,
7 it's the estate's understanding that we are not -- that we
8 are here to establish a total reserve amount. There is no
9 challenge to any individual amounts or challenge to the
10 individual claims themselves. My concern is that an
11 overruling of our objection and granting of the motion would
12 somehow impair my client's right to enforce a settlement
13 agreement that he entered into with the city prior to the
14 bankruptcy. As long as our rights are reserved to challenge
15 the amount of the claim based upon the settlement agreement,
16 we have no further objection to today's motion.

17 THE COURT: Thank you. Mr. Ellman, is it correct
18 that the debtor does not intend for the granting of this
19 motion to in any way impair or prejudice the claim filed by
20 Mr. Wolak as personal representative?

21 MR. ELLMAN: That's correct, your Honor. They filed
22 a claim for \$3 million. There was also a pre-petition
23 settlement, I think, for 375,000, which occurred before the
24 petition date. We've reserved for the full amount of their
25 filed claim, the \$3 million, and whether their claim should

1 be 3 million or 375,000 or treated in some other way -- all
2 those issues are reserved, but if their claim were allowed as
3 filed, then 3 million we have reserved for that claim. Thank
4 you.

5 THE COURT: Thank you. Mr. Dworetsky, does that
6 resolve your concerns?

7 MR. DWORETSKY: Yes, it does, your Honor.

8 THE COURT: All right. Thank you. Who wants to
9 speak next?

10 MS. HILL: I'll get it over with.

11 THE COURT: Come on up, ma'am. You are?

12 MS. HILL: My name is Wanda Jan Hill, and I'm a
13 retiree for the City of Detroit, and --

14 THE COURT: Just a minute, ma'am. Your last name is
15 what?

16 MS. HILL: Hill, H-i-l-l, Wanda Jan, J-a-n, Hill,
17 H-i-l-l.

18 THE COURT: All right. Good afternoon. Go ahead,
19 ma'am.

20 MS. HILL: Yes. I just want to say that I have
21 several concerns. One is since the distribution of the B
22 notes is incomplete and not ready to come before your
23 Honorable body, I'd like to ask that I be considered or --
24 and/or the other retirees be considered for distribution of
25 that fund. We are unsecured claim, and I believe that we're

1 duly entitled to any set-aside money.

2 And the other thing relative to that is I'd like
3 to -- for the record, I'd like to know how will -- I guess
4 this is Jones Day here. How are they going to determine how
5 much people are going to get? And I take, for example, the
6 guy that was just here. His initial request was for 3
7 million, and somehow or another 325,000 is included, so how
8 do you -- who's going to make the decision how much people
9 are going to get? That's a concern for the record. I'm not
10 expecting an answer now, but I'd like to receive an answer
11 relative to that.

12 My other concern is that I have to object to the
13 notice that we sent -- that we received for the Docket 9652
14 from Jones Day. It was very untimely. And I do understand
15 that timeliness is an issue with the Court, and I believe
16 that we should be treated as fairly as all that are involved
17 in this Court. We received our notice Monday to be here
18 today, so that doesn't allow us any time. It gives me the
19 impression that we're not being taken seriously, and we have
20 a grave concern about that. We were -- and I'm not going to
21 take up a lot of time. We were run roughshod during the
22 bankruptcy, and we would appreciate if we're not treated like
23 that now. This is very important, and our earnings have been
24 removed. And I understand that you are taking the place of
25 Judge Rhodes, but you probably need to hear from the people

1 that are affected. You should hear the human touch of what's
2 happening. We do not want to be run ramshodded again.
3 That's unfair. So if we're to receive notices, we need to
4 get them timely. And I'm still trying to figure out --
5 according to this Docket 9652, they claim that they notified
6 people. I don't know which form of media or -- be it
7 printed, be in video or how -- I want to know how do they
8 notify people because some things are not coming through the
9 mail to some -- to a lot of us, so that's a matter of record,
10 too. I want to -- I want to get that clear. We're not
11 receiving notification, although they put it in print that
12 they are. That's not happening.

13 And the other thing is -- let me see. Yeah. I want
14 to reiterate the part that we do want to be considered for
15 any set-aside money, and we'd like to know how that is
16 calculated.

17 THE COURT: Ma'am, do you happen to know whether you
18 have a claim that you have filed that is in Class 14 of the
19 confirmed plan?

20 MS. HILL: No, I don't. No, I don't, but I do
21 understand that there is some set-aside money, and
22 according --

23 THE COURT: Excuse me. Excuse me.

24 MS. HILL: Um-hmm.

25 THE COURT: You need to understand that this motion

1 concerns only a reserve for disputed or unliquidated claims
2 that are in Class 14 under the confirmed plan --

3 MS. HILL: Um-hmm.

4 THE COURT: -- no other classes, no other creditors,
5 just that class.

6 MS. HILL: Um-hmm.

7 THE COURT: And if you don't have a claim in that
8 class that you filed that's in Class 14 under the confirmed
9 plan --

10 MS. HILL: Um-hmm.

11 THE COURT: -- the motion really doesn't concern you
12 at all, and you certainly would not have any entitlement
13 under the confirmed plan to any part of this reserve that's
14 being proposed for --

15 MS. HILL: Um-hmm.

16 THE COURT: -- for the new B notes that are to be
17 distributed to the holders of allowed claims --

18 MS. HILL: Um-hmm.

19 THE COURT: -- in Class 14.

20 MS. HILL: Okay.

21 THE COURT: So I want to make sure you understand
22 that. Now, if you want to say anything else, go ahead, and
23 then we'll hear from Mr. Ellman --

24 MS. HILL: I will, and I will --

25 THE COURT: -- to see if he wants to address what

1 else you've said.

2 MS. HILL: And I want to address what you just said.
3 I do understand that it's Class 14, but we also understand
4 that this bankruptcy is being conducted as we go. There are
5 no hard set rules. Now, if Class 14 --

6 THE COURT: I disagree with you strongly about that,
7 ma'am.

8 MS. HILL: Well, I've been --

9 THE COURT: Now, go on. I disagree with you, and
10 I'm not --

11 MS. HILL: Okay.

12 THE COURT: -- going to agree with that.

13 MS. HILL: I'm not going to -- that's how you feel.

14 THE COURT: This is governed by laws and rules and
15 by the confirmed plan, which is very detailed.

16 MS. HILL: I understand that.

17 THE COURT: Go ahead.

18 MS. HILL: But there is room for improvement, and
19 there is room for changes, and my concern is relative to any
20 improvement and any change that may come about as it relates
21 to this unsecured -- set-aside money for unsecured claims, so
22 I want the record to note that if there are rooms -- if room
23 does become available for improvements and changes that the
24 retirees for the City of Detroit be considered, and thank you
25 very much.

1 THE COURT: All right. Thank you, Ms. Hill.
2 Mr. Ellman, what would you like to say in response to what
3 Ms. Hill has said?

4 MR. ELLMAN: Again, Jeffrey Ellman for the record
5 from Jones Day. Not a lot, your Honor. I will say, as far
6 as the notice, we did give notice to all creditors that we
7 believed would be in Class 14. I know Ms. Hill said she
8 didn't have notice of this hearing until Monday, but she did
9 file her response on the docket on March 23rd, so I believe
10 she had notice of this hearing. I don't believe that --

11 THE COURT: Well, that was her response to the
12 motion. I believe she was complaining about receiving only
13 on Monday notice of today's hearing on the motion.

14 MR. ELLMAN: Yeah. Well, that's outside of my
15 knowledge, but certainly that notice went out timely as well,
16 so --

17 THE COURT: Well, when was --

18 MR. ELLMAN: -- in any event --

19 THE COURT: Excuse me. When was notice of today's
20 hearing served and how? Do you know?

21 MR. ELLMAN: It would have been served at the time
22 that your Honor set the hearing, whenever that was.

23 THE COURT: Well, at the time I caused this hearing
24 to be noticed, notice of hearing to be issued, there had only
25 been a couple of filed objections at that point.

1 MR. ELLMAN: Um-hmm.

2 THE COURT: Whole bunch of objections came in after
3 that, and so I'm wondering what the city did to serve the
4 notice of hearing on the parties who later responded. Do you
5 know the answer to that?

6 MR. ELLMAN: Well, I know we served it as soon as we
7 could on all the parties who had responded, all the parties
8 on --

9 THE COURT: Okay.

10 MR. ELLMAN: -- the regular service list.

11 THE COURT: You obviously served it on Ms. Hill.
12 She got it.

13 MR. ELLMAN: Right, so it would have been served at
14 the time, so --

15 THE COURT: Right.

16 MR. ELLMAN: In any event, I just wanted to respond
17 that we did our best to give notice to people as timely as we
18 could.

19 THE COURT: All right.

20 MR. ELLMAN: As far as the rest of it, I would be
21 happy to answer any questions.

22 THE COURT: Does Ms. Hill have a claim in Class 14
23 potentially?

24 MR. ELLMAN: I'm not aware of what her claim is. If
25 it's a pension-related claim, then it would not be in Class

1 14. That would be in the -- one of the pension classes, so
2 it would not be subject to treatment in Class 14. I also
3 wanted to point out that we're not reserving -- there's a
4 couple references to a fund of money that we're putting
5 aside, and we are not putting aside a fund of money. We are
6 simply holding the new B notes, which are an instrument
7 that's a security but it's not money just so there's no
8 confusion over that. And as far as her claim if it's in
9 Class 14 it's covered by a reserve, if it's a pension claim,
10 which it might be, it would not be.

11 THE COURT: Is she in the list of --

12 MR. ELLMAN: I'm just looking now to see if she has
13 a --

14 THE COURT: -- the schedules?

15 MR. ELLMAN: -- if she has a claim that was
16 liquidated that would have been listed on our list.

17 THE COURT: I see a Clark Hill, but I don't see in
18 the alphabetical list Wanda Jan Hill.

19 MR. ELLMAN: Yeah. I don't see it either, your
20 Honor, and I don't have a copy of the claim, although I could
21 try to get one. And we could ask Ms. Hill what kind of claim
22 she's filed, but if it's for benefits and pensions, then it
23 would not be in this class and would not be -- that would be
24 the reason it's not reserved for specifically.

25 THE COURT: All right. Anything else you'd like to

1 say at this point, Mr. Ellman?

2 MR. ELLMAN: No. Thank you, your Honor. No.

3 THE COURT: You're in the hot seat today for all
4 these folks, and so all right. Who would like to speak next?
5 Anyone? Good afternoon, sir. You are?

6 MR. WILLIAMS: Carl Williams.

7 THE COURT: All right. Good afternoon, Mr.
8 Williams. What would you like to say?

9 MR. WILLIAMS: Well, one thing that I would like to
10 say is that I just received a response from the city
11 yesterday in response to our motion and objection, and one
12 thing that I want to make clear is according to the
13 Bankruptcy Code and the bankruptcy federal rules of
14 procedures 923 and 2002(1) it states that your notices are
15 supposed to be published in the newspaper and to the
16 individuals. That never was done. From the beginning of
17 this bankruptcy up until this present time, that never have
18 been done. They continue to violate 11 U.S.C. 923 and the
19 federal rule of bankruptcy procedure, which is 2002(1).

20 And also this plan of adjustment -- eighth plan of
21 adjustment never have been voted on. It wasn't by consent of
22 the people, which is a violation of 11 U.S.C. 903, which is
23 the creditors, and that's these people that's sitting out
24 here, or the City of Detroit, for all that go, 11 U.S.C. 904,
25 which is the municipality. Neither one of them consented.

1 Kevyn Orr filed this here, and all this stemmed from what
2 Kevyn Orr did. He's an agent of the state representing the
3 state, not the City of Detroit, and that also brings fraud
4 into it because everybody is saying that --

5 THE COURT: Excuse me. Mr. Williams, pardon me.

6 MR. WILLIAMS: Sir.

7 THE COURT: Excuse me. Let me just interrupt you
8 with a question.

9 MR. WILLIAMS: Um-hmm.

10 THE COURT: I've seen in papers you have filed with
11 this Court since I've been assigned to the case as the
12 judge --

13 MR. WILLIAMS: Um-hmm.

14 THE COURT: You make many of these same arguments in
15 writing. I know you're one of the creditors that has an
16 appeal pending in the District Court from the --

17 MR. WILLIAMS: Right.

18 THE COURT: -- order confirming the plan, and I've
19 addressed as a motion for reconsideration and denied your
20 motion that contained many of these arguments. And none of
21 the things that you have just said seem to have anything
22 whatsoever to do with the particular motion that's before me
23 today for hearing. Is there anything you want to say about
24 that motion, that's relevant to that motion today because
25 that's all we're here for today?

1 MR. WILLIAMS: You did -- we get a notice; right?
2 It was -- the motion was noticed; right? They have a
3 procedure that they're supposed to go by. That's what I'm
4 talking about. It don't -- it only talks about notice in one
5 section of this whole bankruptcy procedure, and that's 923 --
6 I mean 11 U.S.C. 923. It has to be published. It never was
7 published. We're talking about notice. That's why half of
8 these people didn't get their stuff, and you received it five
9 or ten, fifteen at the last minute because it never was
10 published. It should have been published in the newspaper as
11 the Bankruptcy Code and the Federal Rules of Bankruptcy
12 Procedure state. It's there for a reason. It said for three
13 consecutive weeks. It should be published in the paper for
14 three consecutive weeks. That never have been done. From
15 the beginning to the present date, that never have been done,
16 so that's a violation right there. So how you going to make
17 a claim on something that is null and void?

18 THE COURT: All right. Anything else you want to
19 say then about this motion?

20 MR. WILLIAMS: Well, that's the main thing that I
21 wanted to say --

22 THE COURT: All right.

23 MR. WILLIAMS: -- that it violates the Bankruptcy
24 Code. It also violates the bankruptcy rule, and I don't see
25 how you going to make a judgment on something that is -- and

1 fraud on top of that because the city never filed for it.
2 The citizens never filed for it. So I mean that's fraud.
3 Kevyn Orr is a citizen -- is an agent of the state. He was
4 appointed by --

5 THE COURT: Mr. Williams, hold it.

6 MR. WILLIAMS: Well, you don't want me to --

7 THE COURT: Mr. Williams --

8 MR. WILLIAMS: I can't speak?

9 THE COURT: Mr. Williams, stop. You're going back
10 into the area that you were in before where I tried to cut
11 you off because it has nothing to do with this particular
12 motion that we're hearing today.

13 MR. WILLIAMS: Okay.

14 THE COURT: You've got the same arguments you're
15 making on appeal to the District Court, I'm sure, and you've
16 made --

17 MR. WILLIAMS: No. It's a little different.

18 THE COURT: You've made many of these arguments to
19 me in the form of a motion -- or two motions, I think, for
20 reconsideration of the order confirming plan, and I denied
21 those motions. Your recourse at this point if you're unhappy
22 with the confirmation of the plan is -- if you've got that
23 appeal still pending in the District Court, that's your
24 recourse, your place to go, not this Court. This Court is
25 not going to revisit issues about whether there's properly a

1 confirmed plan or the confirmed plan in this case is going to
2 be changed.

3 Now, today we're dealing with one thing only, this
4 motion that's before me today, and as I understand it,
5 your -- the only argument you've made today here is that
6 notice -- you seem to be saying that notice of this motion
7 that's before me today should have been published in the
8 newspaper and not noticed just in the way that it was done in
9 this case, and I must reject that argument. There's nothing
10 in Section 923 or Federal Bankruptcy Rule 2002(f) or 2002
11 generally --

12 MR. WILLIAMS: What?

13 THE COURT: -- that requires publication in any
14 newspaper of anything, any notice having to do with this
15 motion. Section 923 of the Bankruptcy Code, 28 U.S. Code
16 923, requires that notice of the commencement of a Chapter 9
17 case, notice of an order for relief under Chapter 9, and
18 notice of dismissal of the case, if that happens, under
19 Chapter 9 shall be published in newspapers, and it gives us
20 rules for that. This motion is none of those things, so
21 there's nothing in the law that requires this -- anything
22 having to do with this motion today that's before me today to
23 be published in the newspaper.

24 MR. WILLIAMS: Well --

25 THE COURT: Now, that's it. We're done. Have a

1 seat.

2 MR. WILLIAMS: What about 105 and 502?

3 THE COURT: Mr. Williams --

4 MR. WILLIAMS: Don't it stem from bankruptcy?

5 THE COURT: Mr. Williams -- Mr. Williams --

6 MR. WILLIAMS: Don't it stem from the eighth amended
7 plan?

8 THE COURT: -- you're done.

9 MR. WILLIAMS: Okay. I just want it on the record.

10 THE COURT: You're done for today. Your objections
11 are overruled. Have a seat. Who wants to speak next?
12 Anyone?

13 MS. HARRIS: Good afternoon, your Honor. My name is
14 Dorothea Harris. How are you?

15 THE COURT: Good. Thank you. Ms. Harris, what
16 would you like to say?

17 MS. HARRIS: Okay. We won a case regarding a
18 settlement, and I don't know if this is the right class, but
19 we won a settlement with Judge Doyle O'Connor, and we were
20 told they put a stay on it. Judge Rhodes put a stay on that
21 regarding our 13th checks and our annuity accounts. And I
22 wanted to find out because you might have with this reserve
23 account money left over after you pay the claims, if that can
24 be addressed again in this courtroom that we did win in, as I
25 say, Judge Doyle O'Connor's courtroom, and Judge Rhodes put a

1 stay on it. And if money is left over because I think you're
2 going to have like -- you're going to have maybe close to
3 \$500 million left over once you pay these claims, could it be
4 possible for them to address our 13th checks that we did win?
5 Wayne County, they won in the Michigan Supreme Court
6 regarding that. It was just a -- I just wanted to ask.

7 THE COURT: Well, thank you, Ms. Harris. There
8 appears to be no possibility that there will be, as you put
9 it, money left over or, for that matter, new B notes left
10 over after distribution of the new B notes that is required
11 under the confirmed plan to creditors holding allowed claims
12 in Class 14 under the confirmed plan. Quite the contrary.
13 The order -- the opinion of the Court by Judge Rhodes that --
14 the published written opinion estimated that recovery of
15 about 13 percent or 13 cents on the dollar for allowed claims
16 in Class 14. There's nothing to suggest that the class of
17 allowed claims in Class 14, as it ultimately is comprised, is
18 going to be less than the \$20.6 million in total value of new
19 B notes that are available for pro rata distribution to Class
20 14 allowed claims under the confirmed plan. In fact, the
21 city recorded in their motion that's before me today, Docket
22 9351, page 8, note 5 -- footnote 5, that there's already as
23 of March 3rd, the date of the motion, allowed Class 14 claims
24 totaling roughly \$28.2 million. That exceeds alone the total
25 amount, the value of new B notes that are available under the

1 confirmed plan for Class 14, so there certainly won't be any
2 new B notes left over, as you put it, after Class 14 allowed
3 claims are all paid what they're entitled to under the
4 confirmed plan. I don't know if that fully answers your
5 question, but that's all I have to say about that. Anything
6 else you wanted to say today?

7 MS. HARRIS: No. Thank you, your Honor.

8 THE COURT: Thank you, ma'am. All right. Anyone
9 else want to say anything? By the way, Mr. Ellman, if you
10 wanted to add anything to anything I've said to Mr. Miller or
11 Ms. Harris -- I didn't give you a chance. Do you want to say
12 anything further about them, what they've said?

13 MR. ELLMAN: No, your Honor. I think you have it
14 exactly correct, and I have nothing to add. Thank you.

15 THE COURT: All right. I don't mean to leave you
16 out of this discussion. All right. Ma'am, you are?

17 MS. PICKETT: Hi. Good afternoon. My name is
18 Janice Pickett, and I had a different agenda set to talk
19 about today, but now that I'm here, I'm hearing about this
20 Class 14, so I have a question regarding it. If it was part
21 of the bankruptcy, why is there a distinction now between the
22 classes that was all grouped together within the bankruptcy?
23 Why is there separation between them to where the B notes are
24 considered making Class 14 somewhat whole? And my general
25 question also is why isn't there some consideration for Class

1 10, 11, and 12? So if I could just get an --

2 THE COURT: Well, I'm not sure I quite understand
3 your --

4 MS. PICKETT: Well, there's various --

5 THE COURT: Excuse me.

6 MS. PICKETT: -- classes within the bankruptcy.

7 THE COURT: Excuse me. Excuse me.

8 MS. PICKETT: Uh-huh.

9 THE COURT: I'm not sure I quite understand your
10 first point. There were 17, I believe, classes, different
11 classes --

12 MS. PICKETT: Right. Okay.

13 THE COURT: -- under the plan --

14 MS. PICKETT: Um-hmm.

15 THE COURT: -- groupings of creditors who were
16 treated -- each class was treated a certain way. Class 14,
17 which is all the current motion we're hearing -- I'm hearing
18 today deals with, is other allowed unsecured claims, and
19 it's -- it has a specific definition of what types of claims
20 are in it and which are not. And you mentioned Class 10.
21 This motion that's before me today has nothing whatsoever to
22 do with Class 10.

23 MS. PICKETT: I understand.

24 THE COURT: So I'm not sure I understand your first
25 point, but the plan from the very beginning and as confirmed

1 has -- I think it's 17 classes --

2 MR. ELLMAN: Correct.

3 MS. PICKETT: Okay.

4 THE COURT: -- of claims of which this motion today
5 deals only with one, Class 14.

6 MS. PICKETT: Okay.

7 THE COURT: Did you want to say anything else now?

8 MS. PICKETT: Well, like I was saying, I wasn't
9 sure. I thought it was pertaining to everything that
10 involved the bankruptcy until I get here. Now you guys are
11 speaking on Class 14, so --

12 THE COURT: No. Today's motion has no effect on any
13 class except Class 14.

14 MS. PICKETT: Exactly. That's what I'm saying.

15 THE COURT: All right.

16 MS. PICKETT: I just got that understanding since
17 I've been here, so I was just wondering why was it just
18 particularly one? Was it because it was unsecured claims?

19 THE COURT: Well, the reason for the motion today,
20 as explained by the city, is because the confirmed plan
21 requires that -- with respect to this class certainly, 14,
22 that there be established as soon as practicable a disputed
23 and unliquidated claim reserve, and so to establish such a
24 reserve, as required by the confirmed plan, the total amount
25 of the reserve has to be determined, and the rules -- some

1 rules related to that reserve have to be determined, so the
2 city filed a motion proposing an amount, a total amount of
3 reserve, and some rules regarding the reserve and asked the
4 Court to approve them, and so that's what this motion today
5 is about. And it's really part of the city trying to
6 implement the confirmed plan, but this motion at least
7 relates only to Class 14. I don't know if that answers your
8 question, but anything else you wanted to say?

9 MS. PICKETT: No. That's all. Thank you.

10 THE COURT: Mr. Ellman, did you want to add anything
11 here now?

12 MR. ELLMAN: Not directly to that, your Honor, but
13 I've been sitting here trying to get information about Ms.
14 Hill's claim that you asked about earlier, and so we were
15 able to have someone pull that proof of claim, and that's
16 proof of claim Number --

17 THE COURT: By Wanda Jan Hill?

18 MR. ELLMAN: Yes, exactly.

19 THE COURT: Yes. Go ahead.

20 MR. ELLMAN: And the question you had posed to me
21 was what kind of claim it was, and it's Claim Number 1851,
22 and it is filed for -- and the quote is "present and future
23 healthcare costs," \$430 monthly, so that appears to me to be
24 a healthcare claim, which would be in Class 12, and not a
25 claim that would be in Class 14, and so I just wanted to let

1 the Court know that. I don't have anything further to add on
2 the most recent colloquy the Court had.

3 THE COURT: All right. Thank you. Who would like
4 to speak next? Anyone?

5 MR. ALEEM: Good afternoon, your Honor.

6 THE COURT: Good afternoon, sir. You are?

7 MR. ALEEM: Hassan Aleem. And one of the things
8 that I see -- one of the things by myself and others not
9 receiving the notice, we were left out of the discussion of
10 the plan and for those post-employment benefits and other
11 pension benefits because I read in one of Jones Day documents
12 that the money -- they have money set aside for the pension,
13 and they're still negotiating with the pensions -- I mean not
14 the pension but the unions. And as pensioners, we're not
15 part of that negotiation. They're only negotiation for their
16 members, and we're no longer members of unions, and many of
17 us -- many of us City of Detroit employees, pensioners, have
18 never been in unions. They have union employees and nonunion
19 employees mainly in supervision, but we don't -- like myself,
20 I'm here about some of the money. I've never -- they've
21 taken money out of my check. I've never received how they
22 calculated it, come up with anything, so I would think that
23 this was part of it. They're negotiating with other people,
24 and I have a claim that I'm not able to find out how much
25 money they are taking, why they're taking it, where they got

1 it from, anything. And it's almost like it's ambush. We
2 don't know because we weren't given the information that the
3 other people have to even disagree with it. It appears that
4 Class 14 has been set up as we go as, you know, a work in
5 progress. And they said, well, no, you were bound by the
6 confirmation plan, which we never voted on, so we're not
7 bound by that.

8 And the other thing is it's interesting that we're
9 here because now we see that we don't get the notices. They
10 determine, meaning the city, Jones Day determine who they're
11 going to give a notice to, and obviously if you don't have an
12 attorney, you're not going to get a notice. And one way it
13 came up is some lady wrote the Court, wrote the judge, which
14 I'm just assuming it was you, and she was given a claim or
15 the file, and that's how we became aware of it.

16 Now, how did this person get the special treatment
17 but we don't get any treatment? We're not aware of anything.
18 We're in the blind, which is an ambush. They're not going to
19 negotiate with us. That's obvious. But we're entitled to
20 it. We're entitled to know how the Class 14 come about, and
21 they specifically said -- I just don't have it with me; I
22 didn't know I needed it -- that they have set aside money for
23 the pensioners, so they're only negotiating with certain
24 pensioners whether they're fire-fighters, whether they're
25 AFSCME, they're the police, but we're pensioners, and we're

1 left off, and they're not -- it's not the same thing. And
2 that's what we hear, and that's what we're objecting to, the
3 fact that we were not notified. We're not aware of it, and,
4 you know -- and we knew we'd have a better defense to put
5 forward to the Court. We'll have time -- and I believe
6 that's what their game is all about, not allowing us an
7 opportunity to exercise our grievances or just disagreement.
8 Jones Day -- this is something that's going to affect us for
9 the rest of our lives. They just move on to the next case.
10 That's very simple. And most of us here it's about a
11 clawback where somebody takes your money for no reason. They
12 claim they lost money, which we know better. We know they're
13 being disingenuous just flat out because the stock market has
14 went up. If this money was invested in the stock market and
15 it had a historic five-year run, then there was no money
16 lost. There's no money lost, so they need to explain how
17 these are the only people, and they weren't qualified. They
18 weren't any kind of actuaries. They didn't take an exam. If
19 they could come into this Court, don't have to take the same
20 exam if they went to the Federal Guaranty Pension Corporation
21 they would have to take before they would be allowed to
22 testify, so Judge Rhodes said they didn't have any expert.
23 We didn't have any expert testimony from Buckfire or Jones
24 Day, so all that's hearsay. That's hearsay. Most of us
25 didn't know that at the time. They are peddling theirselves

1 off as expert actuaries. That's the claim, the pension was
2 underfunded. That's far from the truth.

3 THE COURT: Mr. Aleem, you need to -- you need to
4 shorten it up a bit. We've got to let other people talk.

5 MR. ALEEM: Okay. Thank you.

6 THE COURT: Go ahead. Finish up briefly if you have
7 anything that you want to --

8 MR. ALEEM: Okay. But that's the thing, and that's
9 what we're here for, and we feel -- I know I do and other
10 people that I've talked to, but they can speak for themselves,
11 that we need to see what these negotiations are about. How
12 they're going to take over \$300,000 from me over my lifetime
13 if I live another 30 years, and I'm not supposed to know how
14 they figured it out, take their word for it. Thank you very
15 much.

16 THE COURT: All right. Thank you. Mr. Ellman, did
17 you want to say anything? Just a point?

18 MR. ELLMAN: I don't think I have a lot to say, your
19 Honor. I would point out again that we did give notice. I
20 think a lot of this is a notice issue that's been raised by
21 parties who have pension-related claims, which is what you
22 just heard about, and we did not need to nor did we serve
23 notice on all the pension holders of this motion. It
24 certainly was available on the docket and available to anyone
25 who sought notice in the case, but I think that's part of the

1 confusion. Again, this is not a motion that's about pensions
2 or Class 10, 11, or 12.

3 THE COURT: Does Mr. Aleem have a claim in Class 14,
4 allowed or disputed or otherwise?

5 MR. ELLMAN: Not to my knowledge. Certainly his
6 filing is about pension. It sounds like he's talking about
7 maybe ASF recoupment, which is a different issue. Those are
8 all pension-related matters. His filing is about that, so,
9 as far as I'm aware, that's what his concern is about.

10 THE COURT: All right. All right. Well, thank you.
11 Thank you, Mr. Aleem. To the extent Mr. Aleem's remarks can
12 be construed as objections on any ground to the motion that's
13 presently before me today for hearing, those objections are
14 overruled. I didn't hear anything in what Mr. Aleem said
15 that had anything to do with the merits or the issue of
16 whether or not or to what extent the Court should grant or
17 deny the motion that's before me today. I did hear lots of
18 complaints and issues raised in Mr. Aleem's remarks that have
19 to do with -- perhaps with whether or not the plan that was
20 confirmed by this Court through Judge Rhodes back in November
21 and which became effective on December 10, 2014, in this case
22 should have been confirmed or not, and that is, of course, a
23 matter that's final as far as this Court is concerned subject
24 only to the outcome of pending appeals, which appeals are
25 currently pending in the U.S. District Court from the order

1 confirming the plan, and that is -- I believe Mr. Aleem is
2 one of the parties with a pending appeal in the District
3 Court. Those issues all really have to do with those things
4 and nothing to do, in my view, with whether or not the Court
5 should grant the motion that's before me today, which is
6 limited only to this -- issues regarding this reserve for
7 disputed and unliquidated claims that would fit into Class
8 14, none of which -- Class 14, none of which the relief would
9 have any effect on Mr. Aleem. So, ma'am, you are?

10 MR. DARRAH: I'm Cindy Darrah.

11 THE COURT: I'm sorry. Say it again.

12 MR. DARRAH: Cindy Darrah.

13 THE COURT: D-a -- how do you spell it?

14 MR. DARRAH: D-a-r-r-a-h.

15 THE COURT: All right. Thank you. Ms. Darrah, what
16 would you like to say?

17 MR. DARRAH: Yeah. I have a FOIA that I gave to the
18 retirement board today that I'd like entered into the record
19 if you can or I can file it downstairs if you want on 17, but
20 I had asked you --

21 THE COURT: A FOIA? You mean a Freedom of
22 Information Act request of some sort?

23 MR. DARRAH: Pardon?

24 THE COURT: What --

25 MR. DARRAH: Well, I had asked before the Court, but

1 they thought it was frivolous when I asked for names of
2 people who had to do with the pension money and investments,
3 and so I went to the pension board meeting today and gave
4 them a FOIA request, which I've got a kind of short --

5 THE COURT: By FOIA, you mean Freedom of Information
6 Act request of some sort?

7 MR. DARRAH: Pardon?

8 THE COURT: Do you mean a Freedom of Information --

9 MR. DARRAH: Well, I just want -- I want that in --

10 THE COURT: Excuse me.

11 MS. DARRAH: Yeah.

12 THE COURT: Do you mean a Freedom of Information Act
13 request of some sort?

14 MR. DARRAH: Yeah.

15 THE COURT: That's what you mean?

16 MR. DARRAH: To the pension --

17 THE COURT: What does that have to do with this
18 hearing today, ma'am?

19 MR. DARRAH: Well, because it has to do with --
20 well, first of all, getting back to where I wanted to start
21 was where is the city going to get the money to fund this
22 reserve fund if we -- do we have to borrow a billion dollars
23 and then pay interest on that billion because a billion, I
24 think, is more than our annual budget, so I just wondered are
25 they selling these B notes to set up the reserve fund or just

1 how is that going about? And so that's one of my questions.
2 But I want to object to the plan. I feel that they've seized
3 my and other people's pension illegally violating the Fourth
4 Amendment, and we were not debtors. They didn't -- we had no
5 warrant. Jones Day claims that we had a hearing, that we had
6 ample due process, which we did not, you know. The first
7 time we spoke to Rhodes was before -- at the very beginning.
8 Anybody who wanted to come could speak to him for two, three,
9 five minutes. I can't remember. Then we had July 15th,
10 which we could come and speak, and that was not even given a
11 docket number in the court record, and there was -- it was
12 just like here only -- the only difference here today is we
13 have this attorney that once in awhile will come up and argue
14 the other side, but on those occasions there was nothing.
15 Then I -- Jones Day claimed that I had my due process, but,
16 again, you had to apply to the Court to be allowed to be --
17 participate in the confirmation hearing, which I did and was
18 turned down, and so I and others -- many people didn't get a
19 chance, but the thing that I -- I started doing the math, and
20 even if you allowed that it was an illegal search and seizure
21 and taking our property without a court trial and just
22 through mediation where we had -- the general retirees had
23 appointed representatives that were appointed by the Court --
24 Shirley Lightsey, I think, was one of them, and she used to
25 be in the Water Department as a supervisor. Well, the

1 supervisors -- the appointees -- the political appointees,
2 administrators of departments and the City Council, those
3 people, they don't work 30 years generally. Well, the
4 supervisors might, but they are the ones that make more
5 because I used to negotiate for Motor City Seasonal Workers
6 Union. It was the recreation and zoo part-time workers. And
7 when they would go to negotiate, we finally affiliated with
8 AFSCME because I couldn't -- I got tired of it. I wouldn't
9 get much help. So their contracts were always percentage, so
10 the, you know, percentage of a big amount gets bigger, and it
11 spreads out to different -- so you get this income inequality
12 that grows over the years, so that's what -- those annuities
13 that were capped -- now, I don't know how much Shirley
14 Lightsey had in the annuity, but some of the -- those are the
15 things that if you're an appointee or you're on the City
16 Council, you -- it's to your advantage to let those annuities
17 grow and pay. See, they pay --

18 THE COURT: Ms. Darrah --

19 MR. DARRAH: -- .049 percent --

20 THE COURT: Ms. Darrah -- Ms. Darrah --

21 MR. DARRAH: -- bigger --

22 THE COURT: Ms. Darrah, I have to interrupt.

23 MR. DARRAH: Yeah.

24 THE COURT: I have to interrupt you.

25 MR. DARRAH: Yeah.

1 THE COURT: The only thing before the Court today
2 for hearing --

3 MR. DARRAH: Yeah.

4 THE COURT: -- is this motion that we've been
5 discussing of the city --

6 MR. DARRAH: Okay. But what I'm --

7 THE COURT: Excuse me.

8 MR. DARRAH: Yeah. Oh, I'm sorry.

9 THE COURT: Don't interrupt me.

10 MR. DARRAH: Yeah.

11 THE COURT: This motion in which the city seeks
12 court approval to establish the total amount of a reserve for
13 Class 14 claims that are currently disputed and unliquidated
14 and to set some rules relating to that reserve. All this has
15 to do with Class 14 and the reserve issues relating to the
16 new B notes that have already been issued by the city
17 after -- several months ago after confirmation of the plan,
18 and it really has only to do with facilitating the city's
19 ultimate ability to distribute to holders of allowed Class 14
20 claims their pro rata shares of the new B notes.

21 Now, much of what you've been talking about sounds
22 like simply unhappiness with -- by you with the confirmed
23 plan, and I certainly can understand there's a lot of people
24 that are not happy with the confirmed plan in this case, but
25 that's --

1 MR. DARRAH: Well, it's not fair. Yeah.

2 THE COURT: That's not before the Court today.
3 That's not relevant to the issue before the Court today in
4 this hearing, and so I would ask you, please, to stick to
5 that issue --

6 MR. DARRAH: Okay.

7 THE COURT: -- the motion that's before me today.
8 Is there anything else you'd like to say in particular about
9 that motion?

10 MR. DARRAH: Well, that motion also -- I looked at
11 the list, and you've got Detroit Economic Growth Commission
12 Corporation, and that's part of DDA, and they have the same
13 office and the same exact people on their staff. And I
14 object to the idea that they're in our city budget. They get
15 money out of the city budget. They take all the tax money
16 from the Wayne County and from the city on the property tax
17 and keep it in their little Downtown Development Authority,
18 which bleeds the fund -- the general fund for the city and
19 for Wayne County, and so that's the problem I have is why are
20 we paying these people that are actually part of the cause of
21 the financial problem? In China the government wouldn't
22 allow this to happen to their cities, but they did tell them
23 you got to start taking back all those tax breaks because
24 you're all in debt, you know. The city is trying to attract
25 investments, and it's not -- it started way back when Cockrel

1 was on the council and he fought Mary Young, who wanted to
2 give a tax break to a riverfront property there over -- that
3 East, you know, Fisher, which is a beautiful building, but
4 that doesn't --

5 THE COURT: Ms. Darrah, I'm going to have to ask you
6 to wrap it up now, please.

7 MR. DARRAH: Okay. All right. So --

8 THE COURT: We've got to let others talk today.

9 MR. DARRAH: And the other thing I want to bring up,
10 though, is the Court has an obligation to find the fraud, and
11 the Court has an obligation to make sure that we really get
12 out of but not going into another bankruptcy, and this plan
13 has taken our sources of income away more than it -- both
14 under Kevyn Orr and -- the only thing you're going to get an
15 increase is the parking tickets, but they sold -- you know,
16 they're going to have to -- we have to pay the state back to
17 tear down Joe Louis Arena and then build an arena where
18 they -- under Kevyn Orr, which I consider that's part of the
19 plan of adjustment. He got us to backdate a new lease that
20 saved Ilitch two or three million dollars a year. They used
21 to pay ten percent at --

22 THE COURT: Ms. Darrah, I don't think you --

23 MR. DARRAH: Yeah.

24 THE COURT: You're not listening to me.

25 MR. DARRAH: Okay.

1 THE COURT: You got to wrap it up. Please conclude.

2 MR. DARRAH: Well, okay. Well, I object, and I want
3 it on record, for the illegal search and seizure and the lack
4 of due process. This is the first time that we've even
5 talked before where there's a lawyer that can -- on the other
6 side that can object, and I object to the fact that what
7 happened that we owe all of this money -- I looked at the
8 list. EEOC, the Department of -- all these --

9 THE COURT: You're not wrapping it up, ma'am. You
10 got to wrap it up.

11 MR. DARRAH: Okay.

12 THE COURT: Ten seconds.

13 MR. DARRAH: Well, how do we know that these debts
14 are even right? Is this part of the mediation that they
15 settle this stuff in secret, or do we see who really deserves
16 that money because I know the Economic Growth Corporation,
17 they don't deserve a damn dime from us, you know, and so they
18 lent us money for the People Mover. Who did that benefit?
19 That benefitted them, you know.

20 THE COURT: All right.

21 MR. DARRAH: It's just a --

22 THE COURT: I've got to stop you, Ms. Darrah. Thank
23 you. I will say in response to your remarks a couple of
24 things. One is that this motion, as the city has made clear
25 and is clear to me in this motion and the proposed order

1 that's before me today, the city does not seek to establish
2 as allowed anybody's claim or disallowed as anybody's claim
3 or set the amount of any allowed claim. That's not part of
4 today's motion, and so to the extent you're saying you object
5 to somebody -- some other creditor or claimed creditor
6 getting paid, this motion has nothing to do with that.

7 I will also say that nothing you have said, ma'am --
8 while it's interesting, none of what you said is a basis -- a
9 valid basis for objecting to this motion that's before me
10 today, in my view, and so your written objection and your
11 objections stated today, if that's what they are, to this
12 motion are overruled. Thank you.

13 Mr. Ellman, is there anything you wanted to say in
14 response to anything Ms. Darrah has said?

15 MR. ELLMAN: No, your Honor.

16 THE COURT: All right. Thank you. Who would like
17 to speak next?

18 MR. DARRAH: So we can't get an answer from them?

19 THE COURT: We're finished, ma'am.

20 MR. DARRAH: Okay.

21 THE COURT: Who would like to speak next? Anyone?

22 MS. MAGEE: Yeah, I would.

23 MS. DARRAH: So how do we -- do you think --

24 THE COURT: Sit down, please, ma'am.

25 MS. DARRAH: -- it's proper to close --

1 THE COURT: Ma'am --

2 MS. DARRAH: -- this out before these appeals are
3 settled across the street?

4 THE COURT: Ma'am -- you're done, ma'am.

5 MS. DARRAH: Is that your prerogative?

6 THE COURT: You're done. Please don't make me have
7 you removed from the courtroom.

8 MS. DARRAH: I'm just asking you.

9 THE COURT: Please leave the podium.

10 MS. DARRAH: Can you answer that question? Should
11 this be done before the -- in other words, should the reserve
12 set up before you've resolved the complaints across the
13 street because --

14 THE COURT: You mean the appeals?

15 MS. DARRAH: -- you may have to change the plan?

16 THE COURT: You mean the appeals?

17 MS. DARRAH: Huh?

18 THE COURT: You mean the appeals?

19 MS. DARRAH: Yeah.

20 THE COURT: Yeah. The answer to that is yes.

21 MS. DARRAH: Why?

22 THE COURT: Yes. There's no stay of the confirmed
23 plan pending appeal. That's the short answer. Now, please
24 leave the podium, ma'am. All right. Thank you. Ma'am, you
25 are?

1 MS. MAGEE: My name is Vera Magee, and I'm a
2 pensioner from City of Detroit.

3 THE COURT: I'm sorry. Your name again, please?

4 MS. MAGEE: My name is Vera, V-e-r-a Last name is
5 Magee, M as in Mary, A as in apple, G as in George, E as in
6 Edward, E as in Edward. And I am a pensioner from the City
7 of Detroit.

8 THE COURT: All right. Thank you. Go ahead, ma'am.

9 MS. MAGEE: Okay. I'm a victim of the clawback,
10 which I'm very upset about. Since the city is still moving
11 forward with this plan of adjustment, I'm asking that the
12 pensioners should be included in the reserve amounts for
13 certain disputed unliquidated unsecured claims in connection
14 with the distributions to be made under the eighth amended
15 plan. The whole process was flawed to begin with because of
16 the election process, but obviously the bankruptcy has gone
17 forward anyway, so according to, I guess, the city, there was
18 968 million -- \$968 million set aside for liquidated amounts.
19 So far the amount of liquidated amounts has come to nine
20 million, 670 thousand, 997 thousand \$152 and five cents, so
21 that leaves about a million dollars. Where does that money
22 go, and can the pensioners be included in that? That's all I
23 have to say.

24 THE COURT: All right. Well, thank you. The motion
25 today has to do with a reserve that's established for

1 purposes of permitting the city -- allowing the city to go
2 forward with implementing the part of the plan that involves
3 distribution to the holders of allowed claims in Class 14 of
4 the confirmed plan of their pro rata share of new B notes.
5 Pensioners are not included in Class 14 of the confirmed
6 plan, and under the confirmed plan, therefore, they have no
7 right and cannot share in the distribution of new B notes
8 that is to be made for the benefit of and to allowed
9 claimholders in Class 14 of the plan. The reserve amount,
10 while the number one billion and 900-plus million dollars
11 that's been mentioned in today's hearing by the city's
12 counsel regarding the amounts that go into in total in this
13 reserve that's being discussed, that's not -- those numbers
14 are not to suggest that there's some 900 million or \$1
15 billion out there that's going to be paid someday to any
16 creditors in this case, particularly to Class 14 creditors.
17 Again, I want to reiterate that the situation is that Class
18 14 members who have allowed claims under the confirmed plan
19 are going to get pro rata shares only of a total amount of
20 \$20.6 million worth of new B notes that have been issued by
21 the city under the confirmed plan, and the purpose of
22 establishing a reserve in this case, roughly \$1 billion, is
23 simply to help the city calculate how much of those new B
24 notes the city has to hold back from distribution to -- and
25 not distribute yet to the allowed members of Class 14 because

1 there are other members who may eventually have allowed
2 claims in Class 14, and to give a proper pro rata share --
3 that is, equal percentage share -- to everyone, dividend
4 percentage share to everyone, a reserve like this is
5 necessary. The alternative under these circumstances would
6 be for the city to hold off and not make any distribution of
7 any new B notes in any amount to any member who has an
8 allowed claim in Class 14 until all claims in Class 14 have
9 been resolved, allowed, disallowed, liquidated, resolved in
10 one way or another, a process that is likely to take some
11 time, and this is designed in the plan. This is built into
12 the confirmed plan. This process regarding this reserve is
13 simply to allow the city to make what amounts to a partial
14 distribution to holders of allowed Class 14 claims now, but
15 the short answer to your question, Ms. Magee, whether
16 pensioners such as yourself can be -- can share in the
17 amounts that are going to be distributed in new B notes to
18 members of Class 14 who have allowed claims, is no. If you
19 have a separate claim in Class 14 and it is allowed as a
20 Class 14 claim, then you will share in a pro rata
21 distribution of new B notes under that class but otherwise
22 not, and that's the way the new -- or the amended -- or the
23 confirmed plan, rather, is what it says requires. Thank you,
24 ma'am.

25 MS. MAGEE: Okay.

1 THE COURT: Did you want to add anything,
2 Mr. Ellman?

3 MR. ELLMAN: I do not, your Honor. Thank you.

4 THE COURT: Anyone like to speak further?

5 MS. PICKETT: Good afternoon.

6 THE COURT: Good afternoon, ma'am. You are?

7 MS. PICKETT: Debra Pickett.

8 THE COURT: Would you spell your last name for me?

9 MS. PICKETT: P as in Paul i-c-k-e-t-t.

10 THE COURT: All right. Thank you. Ms. Pickett, go
11 ahead. What would you like to say?

12 MS. PICKETT: I got a question is I keep hearing
13 about Class 14. My question is to the attorney representing
14 Jones Day. How did they come about this Class 14, and when
15 did they notify the people to file for impaired pension or
16 whatever, whatever the group is? How did they establish the
17 list? And me being a retiree, my pension has been impaired.
18 The city says I got to pay back \$34,000, so my question is to
19 the attorney. How did they come about the class? Was
20 certain people notified to join this class since that's all
21 they're talking about is Class 14 because I feel that I'm
22 impaired also?

23 THE COURT: Well, thank you. To the extent you're
24 asking how is it that the creditors get grouped in Class 14,
25 in part it's a function of the fact that there was a deadline

1 set for everyone who had a claim in this case to file a proof
2 of claim, and then after all those claims were filed -- and
3 there were several thousand of them -- the plan was -- a plan
4 was proposed, and several amended versions of the plan were
5 filed. Ultimately, the eighth amended plan was confirmed
6 last November by my predecessor judge in this case, and that
7 plan, like any other Chapter 9 plan and like many Chapter 11
8 plans, reorganization plans, divides creditors into classes,
9 classes of similar or similarly situated claims, and then
10 describes the treatment of each of the classes. And Class 14
11 happens to be one of the classes. The pension claims are
12 other different classes, and they received a treatment
13 different and the city probably would argue much better than
14 the treatment received by Class 14 claims. Now, that's all I
15 have to say about that, and we're not here today to have a
16 discussion about why did Jones Day and the city design the
17 plan the way they did and why did they group it the way they
18 did instead of some other way. I mean that's really not up
19 for discussion today. The plan is confirmed, and it's final
20 subject only to whatever may happen on appeal -- in the
21 appeals of the confirmation. And what we're talking about
22 today with this motion is a matter -- this reserve account
23 designed to enable the city to continue moving forward in
24 implementing the confirmed plan, and it has to do only with
25 Class 14, of which it sounds like you're not a member of

1 Class 14. Your claim is in a different class. So,
2 Mr. Ellman, is there anything you want to add?

3 MR. ELLMAN: No, your Honor.

4 THE COURT: All right. Thank you, Ms. Pickett.

5 MS. PICKETT: But my question still is how did they
6 determine that class? That's what I want to know. Is it any
7 retirees in Class 14? Is it any pensioners in Class 14?

8 THE COURT: Well, I presume the answer to that
9 Mr. Ellman would give -- and he can speak to this -- the only
10 way someone would have a claim --

11 MS. PICKETT: He can't speak to that?

12 THE COURT: Excuse me.

13 MS. PICKETT: He can't speak to that?

14 THE COURT: Excuse me. Don't interrupt me. The
15 only way someone in Class -- who's a pensioner who has a
16 pension claim in this case would be in Class 14 is if they
17 had a claim of the type covered by Class 14, other unsecured
18 claims, in addition to their pension claim. Then they might
19 potentially be in two classes, the pension claim class and
20 the Class 14. Did you want to add anything, Mr. Ellman?

21 MR. ELLMAN: I can briefly, your Honor. We did -- I
22 was trying to find the date. I don't remember it, but we did
23 file a motion for a bar date in this class, which was, as the
24 Court is aware, an opportunity for all creditors to file any
25 kind of claim they would like. That was done, I believe,

1 toward the end of 2013. I believe the bar date was in
2 February of 2014. I could look those dates up, but roughly
3 speaking that's what we did. Class 14 was established based
4 on the negotiations and determination of how to classify
5 claims. Pension claims and retiree benefit claims are not in
6 Class 14. Does not mean a retiree could not have had a claim
7 that would have been in that class for some other reason
8 based on some other relationship with the city. If they did,
9 they had an opportunity to file that claim back at the
10 beginning of 2014. I believe that answers the question.

11 THE COURT: February 21, 2014, was the claim bar
12 date.

13 MR. ELLMAN: Thank you.

14 THE COURT: All right. Thank you, Ms. Pickett.

15 MS. PICKETT: You're welcome.

16 THE COURT: Anyone else want to speak?

17 MR. JACKSON: Excuse me.

18 THE COURT: Yes, sir. You are?

19 MR. JACKSON: My name is Lou Davey Jackson, and I'm
20 classified in the liquidation amounts, Docket 9351.

21 THE COURT: What is your last name? I'm sorry. I
22 missed it.

23 MR. JACKSON: Jackson, J-a-c-k-s-o-n, Lou.

24 THE COURT: All right. Thank you. Go ahead, Mr.
25 Jackson.

1 MR. JACKSON: Yes. I'm filed under the -- I'm
2 scheduled under the liquidation amounts on Docket 5351, and
3 what I want to note is, now, this claim was filed not really
4 by me, but it was claimed by the city. This is what I'm
5 thinking. And they asked me to file a claim myself. It's
6 about principals and interest on property, and I received
7 this notice. It say that the mortgage company should be
8 responsible, but I don't believe the mortgage company should
9 be responsible because the city let the State of Michigan
10 place liens on me before I even -- before I even bought a
11 home in the City of Detroit, and what -- my claim is about
12 titles, the title that I bought. I bought a home here in
13 2007, and the title that I bought here, when I received the
14 title, I had to pay a certain amount of money, which was
15 \$3,707, which I have here. And the city allowed the bank to
16 come in, and most of the property that was -- most of the
17 property was under-appraised and everything, and I'm paying
18 interest. I'm paying more interest and more principal than
19 I'm really supposed to, and I can show you in my life. Each
20 year I paid since 2007, and it's close to \$8,000 a year.

21 THE COURT: Mr. Jackson, you have filed a proof of
22 claim in the bankruptcy case, I believe.

23 MR. JACKSON: Yes.

24 THE COURT: And the amount is shown here as
25 \$71,825.81. Is that right?

1 MR. JACKSON: Yes.

2 THE COURT: You're listed in Exhibit 6.1, the
3 schedule of liquidated amounts, for purposes of this reserve
4 motion that we're hearing today, so the full amount of your
5 claim is being included in the total of liquidated amount of
6 claims that the city uses to -- has used to calculate the
7 total reserve that they want the Court to approve, so it
8 doesn't look like you filed any objection to this motion. Do
9 you have any objection to the motion that's before the Court
10 today, or is there anything you want to say about that
11 motion?

12 MR. JACKSON: Yeah. I wrote the Court, and I filed
13 an objection because the city had disapproved of it. It
14 disapproved. The city had disapproved of the amount, but,
15 now, in filing in this amount I have two -- in the Class 14 I
16 have, what, 3,764.19, and in the conventional claim I have
17 71,825.81, so really I have two claims that are filed. They
18 only have listed one in the Class 14 adjustment.

19 THE COURT: All right. So the \$71,000 one is in the
20 list.

21 MR. JACKSON: Yes.

22 THE COURT: What's the amount of the other one, you
23 say?

24 MR. JACKSON: 3,764.19. They didn't list that one.

25 THE COURT: All right. Well, I'll just say this.

1 MR. JACKSON: Yeah. It's in the Class 14.

2 THE COURT: Let me just say this. Let me just say
3 this about that, Mr. Jackson. If that claim was left out of
4 the list of liquidated claims in Schedule -- or Exhibit 6.1,
5 while they left in and did include the \$71,000 claim for
6 purposes of calculating this reserve, the omission of a claim
7 in that amount, as small as that amount, would make
8 absolutely no difference in the total amount of the reserve
9 that the city is asking the Court to approve, the one
10 billion -- slightly more than one billion dollar reserve
11 amount, so if your objection is that your \$3,000 -- \$3,764
12 claim was left out of the list --

13 MR. JACKSON: Yes.

14 THE COURT: -- of schedule of liquidated amounts in
15 Exhibit 6.1 to the motion, there's absolutely no prejudice or
16 harm to you that will occur because of that.

17 MR. JACKSON: Okay.

18 THE COURT: And your claim being left out of that
19 list, if that's what happened -- and if I grant this motion
20 with that list as it is, it's not going to have any adverse
21 affect on your claim or either of your claims.

22 MR. JACKSON: Okay.

23 THE COURT: That's for another day. If the city
24 objects to one or both of your claims, you'll have a chance
25 to respond to that objection, and we'll have a hearing

1 dealing with that particular issue, but that's not before the
2 Court today.

3 MR. JACKSON: Okay.

4 THE COURT: Do you understand? I don't believe
5 anything the Court will do today on this motion will have any
6 adverse effect on the allowance ultimately of either of your
7 claims. Do you agree, Mr. Ellman?

8 MR. ELLMAN: Yes. I was just going to add one
9 clarification, your Honor. If you look at Schedule 6.1, you
10 should see no claims at all that are less than \$25,000 --

11 THE COURT: Oh, sure, yeah. Convenience class,
12 yeah.

13 MR. ELLMAN: -- because those would be in Class 15,
14 so --

15 THE COURT: Yeah.

16 MR. ELLMAN: -- the reason that that claim is not on
17 the list is because it is not in Class 14 and is not reserved
18 for in this class.

19 THE COURT: Class 15 is the class that's called
20 convenience claims. As I recall, Mr. Ellman --

21 MR. ELLMAN: That's correct.

22 THE COURT: -- that's for claims of \$25,000 or less.

23 MR. ELLMAN: That's correct.

24 THE COURT: And those are going to be paid in cash,
25 not with new B notes.

1 MR. ELLMAN: They'll be paid in cash at a 25-
2 percent -- --

3 THE COURT: Right.

4 MR. ELLMAN: -- rate, yes.

5 THE COURT: But in cash --

6 MR. ELLMAN: In cash.

7 THE COURT: -- not with new B notes.

8 MR. ELLMAN: And there's no reserve. There's no pro
9 rata payment, so no reserve.

10 THE COURT: Right. Okay.

11 MR. ELLMAN: We just pay those in cash.

12 THE COURT: All right. Thank you for that
13 clarification.

14 MR. ELLMAN: Thank you.

15 THE COURT: You know, I had forgotten about that.
16 You're right. So, Mr. Jackson, is there anything else you
17 wanted to say today about this motion?

18 MR. JACKSON: No, just that am I still listed in the
19 liquidation amounts? I really don't know. The people
20 that --

21 THE COURT: Your \$71,825.81 claim is listed in the
22 schedule of liquidated amounts in Exhibit 6.1 to the city's
23 motion if that's what you're asking me.

24 MR. JACKSON: Is it approved?

25 THE COURT: The claim is not being allowed or

1 disallowed or approved or disapproved by anything we do today
2 with this motion. That's not what this motion is about.

3 MR. JACKSON: Okay. You just wanted to hear --

4 THE COURT: Anything else you want to say about this
5 motion?

6 MR. JACKSON: No.

7 THE COURT: All right. Thank you, Mr. Jackson.

8 MR. JACKSON: Thank you.

9 THE COURT: Anyone else want to speak?

10 MR. JOHNSON: Yes, I do. Yeah. My name is Larry
11 Johnson, and under this Class 14 -- I retired from the city,
12 and I was wondering if some sort of way you could put a stay
13 or grant me some type of motion where I can get in on this
14 Class 14 settlement based on the fact that Jones Day didn't
15 give me enough information soon enough. I wasn't able to get
16 my response in soon enough, and it would be based on the fact
17 that in the plan of adjustment on the ballots that they sent
18 out they sent out maybe three, 4,000 ballots that were
19 inaccurate, and that was made known, you know, throughout the
20 court through that other judge. And what I'd like to do is
21 is that they said that what they were going to do is that
22 they were going to dismiss those old claims and that people
23 would not have to pay back anything, and they still -- I was
24 one of those people, and they're still taking money out of my
25 check, so I was wondering if I could get in on this Class 14

1 adjustment.

2 THE COURT: Thank you, Mr. Johnson. The answer --
3 the short answer to your question is that unless you have a
4 claim that fits within Class 14, you cannot get into Class
5 14, and if what you have is a pension claim, that's not Class
6 14, so the answer, I believe, to your question is no. And
7 you mentioned a stay. If you're asking for some sort of stay
8 of the order confirming plan, that's certainly denied. Judge
9 Rhodes issued a detailed opinion and denied numerous motions
10 for stay pending appeal of the order confirming the plan
11 several months ago. I think at least one creditor or one
12 group of creditors after I was assigned to the case asked me
13 to reconsider that -- I think that's right -- and I denied
14 that. I'm not going to grant any stay under any
15 circumstances of the order confirming the plan, which is
16 currently on appeal in the District Court. That doesn't
17 preclude anyone from asking the District Court to issue a
18 stay pending appeal if they have an appeal pending over
19 there, but this Court won't do that. So, you know, unless
20 you have a claim that -- apart from your pension claim
21 that -- some separate claim that falls within the description
22 of Class 14 under the confirmed plan, you're not part of
23 Class 14.

24 MR. JOHNSON: You mentioned the fact that there's a
25 chance that the pensions' claims can be in that Class 14.

1 THE COURT: No, I didn't say that. No. Pension
2 claims are not in Class 14.

3 MR. JOHNSON: Whether there's some claims that were
4 disputable that -- pension claims that may have -- wasn't
5 settled correctly where we can go over there and -- instead
6 of going to this other court and work it out in the Class 14.

7 THE COURT: I'm not sure what you're saying, but
8 Class 14 is not -- does not include pension claims.
9 Mr. Ellman, did you want to add anything to or respond to
10 anything Mr. Johnson has said?

11 MR. ELLMAN: I have nothing further to add, your
12 Honor.

13 THE COURT: All right. Thank you, Mr. Johnson.

14 MR. JOHNSON: All right.

15 THE COURT: Anyone else want to speak?

16 MS. DARRAH: I have something to add to that.

17 THE COURT: Sorry, ma'am. You're done. Who's next?

18 MS. DARRAH: Okay. Well, there's a case that Jones
19 Day took --

20 THE COURT: Sorry, ma'am. You're finished. Sorry.
21 Don't talk.

22 MR. SPICER: Good afternoon, your Honor.

23 THE COURT: Just a minute. Hold on. Hold on. Hold
24 on.

25 MR. SPICER: Yes, sir.

1 THE COURT: I'm sorry. Your name is?

2 MR. SPICER: Kim Spicer.

3 THE COURT: Yes, sir. Mr. Spicer.

4 MR. SPICER: S-p-i-c-e-r. I have no objection to
5 the motion, but I would like to add what everybody else said
6 that there does need to have a little better notification
7 process. I've been coming down here, and I get letters after
8 the court date. I have to come down, take off work and go to
9 the clerk. And the other counsel sent stuff saying that the
10 cases are closed, and, you know, it's all kind of stuff going
11 on, but a little more timely fashion, I think, should be --
12 would be appreciated by everybody. That's all I have to say.

13 THE COURT: Well, all right. Thank you. I
14 certainly want to try to make sure that parties receive
15 notices -- required notices in this case on a timely basis,
16 for example, notices of hearings in which someone has either
17 filed a motion or responded to a motion timely and notices of
18 motions that the parties who are adversely affected by a
19 given motion or could be adversely affected get reasonable
20 and proper and timely notice of their opportunity to object,
21 and so I certainly want to do what I can to make sure that
22 parties in interest in this case do get timely and proper
23 notice that they're supposed to get under the law. Now, did
24 you want to add anything, Mr. Ellman?

25 MR. SPICER: Thank you, your Honor.

1 MR. ELLMAN: Just briefly, to answer a question your
2 Honor had asked me earlier about notice of this hearing, in
3 the time I've had I've been able to figure out that the -- if
4 you look at Docket Number 9542, that is the certificate of
5 service for the notice of hearing. It was mailed by first-
6 class mail, I believe, on March 27th, 2015. I know Ms. Hill
7 had raised that question. We had confirmed that it went to
8 her address. As far as how long it takes to get in the mail
9 to someone, I guess that's outside of our control, but it was
10 timely mailed on that date, and there is a certificate of
11 service on the docket.

12 MS. HARRIS: Excuse me, your Honor. May I make
13 one -- have one minute?

14 THE COURT: Just a moment. Hold on.

15 MS. HARRIS: Thank you.

16 THE COURT: All right. Thank you, Mr. Ellman.
17 Anyone who has not yet spoken want to say anything? Yes.
18 You are?

19 MS. HERNANDEZ: My name is Belinda Farhat then. Now
20 I'm Belinda Hernandez.

21 THE COURT: Yes. Thank you. Go ahead.

22 MS. HERNANDEZ: I came today thinking that retirees
23 are included in this motion, and I came here to object
24 because I feel that I'm a creditor and Class 10 should be
25 included in Class 14 motion today. And I just want to

1 express that because why is Class 10 being unfairly treated
2 and not being considered in this Class 14? And I remember
3 and I know that you have explained that, Judge, but I still
4 feel that being a retiree, they're taking a lot of our money
5 and using it at our expense, you know, on our backs, and I
6 just want to make you feel that it is -- we are unfairly
7 treated at this point in time since the beginning of the
8 bankruptcy. We are shouldering the debt of the city, which
9 is -- we have nothing to do with it. And I believe that I
10 want to be considered for the set-aside money still beyond
11 what you said that this is not for Class 10 motion. Thank
12 you.

13 THE COURT: All right. Well, thank you, ma'am.
14 I'll simply reiterate again that -- or say it a different
15 way, I suppose, that under the confirmed plan, which is
16 binding on all parties, the Court and all parties in
17 interest, including all the creditors in this case, Class 10
18 is not part of Class 14, and the members who -- the creditors
19 who have claims in Class 10 do not, because of that, have any
20 right to any part of the distribution that is allotted under
21 the confirmed plan for claims in Class 14, and so there's --
22 the Court is precluded by the terms of the confirmed plan and
23 by law, therefore, from granting the relief you just asked me
24 to grant. And, of course, that type of relief anyway is not
25 properly before the Court today on the motion that's before

1 me today. Is there anyone else who has --

2 MR. ROBINSON: Yes. I have a comment.

3 THE COURT: -- not spoken yet who would like to say
4 something?

5 MR. ROBINSON: Brief comment. My name is Raphael
6 Robinson. I've got a number of comments. I don't appreciate
7 having to come down here for nothing. I did receive this
8 communication late, and why was the communication sent in the
9 first place if that's the case? I spent money to come down
10 here. I lost money by coming down here. But I don't
11 appreciate this reply. The form requested -- the late form
12 requested -- that Jones requested and Darrah response are
13 attempted collateral attacks on the confirmation order and
14 communication of the plan. This is not an -- I think we had
15 that right to protest or contest.

16 THE COURT: You're referring to what the city said
17 in their reply to -- filed last Friday to your response to
18 this motion; right?

19 MR. ROBINSON: Yes, page 9, one of it, and then I
20 wanted to know -- same question some of the others had, how
21 was Class 14 determined, and never got an answer on that.

22 THE COURT: Anything else, Mr. Robinson?

23 MR. ROBINSON: Then I was designated as a late
24 response, and I know that I got my paperwork in the same time
25 others did, so how was that determined also when they didn't

1 have any previous notification? Those are questions.

2 THE COURT: All right. Well, thank you, Mr.
3 Robinson. The objection that you filed is at Docket Number
4 9584 on the Court's docket. That was filed on March 31,
5 2015. The deadline, as stated in the notice, the amended or
6 corrected notice of this motion for responses to be filed and
7 objections to be filed to this motion was March 23, 2015, and
8 that's why the city says your response was late. I will
9 not --

10 MR. ROBINSON: What was that date again?

11 THE COURT: I will not -- March 23, 2015. Now, with
12 respect to your question about how did -- how was Class 14
13 created and how was that -- where did that come from
14 essentially, I've already spoken what I'm going to say to
15 that --

16 MR. ROBINSON: I heard that, but --

17 THE COURT: -- earlier, response to earlier
18 questions.

19 MR. ROBINSON: -- we never got an answer.

20 THE COURT: Excuse me. Don't interrupt me, Mr.
21 Robinson.

22 MR. ROBINSON: I'm not interrupting you.

23 THE COURT: I have nothing further to add to what
24 I've already said. This is a bit repetitive, and there's
25 nothing more the Court is going to say today about this, that

1 subject. Mr. Ellman, did you want to say anything in
2 response to Mr. Robinson has said?

3 MR. ELLMAN: Just in an effort to try to answer the
4 question again, I do think we've answered it, but all
5 creditors, retirees, everyone, got notice and an opportunity
6 to file a claim back in February 2014. Class 14 was
7 determined based on what the plan had in it. Again, notice
8 of the plan went to everyone, and that process is completed,
9 but that's how that was determined. Thank you.

10 MR. ROBINSON: Okay. No other comments.

11 THE COURT: All right. Thank you, Mr. Robinson.
12 Anyone else who's not spoken yet want to speak, want to say
13 anything? I hear nothing. All right. Mr. Ellman, I'm going
14 to grant this motion that's before me today.

15 MR. ELLMAN: Thank you, your Honor.

16 THE COURT: First of all, all of the written
17 objections that were filed, both ones filed on a timely basis
18 on or before March 23, 2015, and those filed on an untimely
19 basis after that response deadline, including the ones that
20 were filed yesterday, are -- all those objections, to the
21 extent they actually object to the motion, are overruled.
22 None of the objections filed and none of the objections, to
23 the extent they are actually objections to the motion that
24 were stated in oral comments today by various creditors,
25 constitute any valid ground for denying or modifying the

1 relief granted -- requested in this motion, and so I have
2 reviewed the motion and the basis for the motion and the
3 exhibits filed, including the city's reply filed last Friday
4 with respect to the motion, and I will grant the motion. I
5 find it well-taken, and there's good cause to grant the
6 motion on the grounds alleged in the motion. So, Mr. Ellman,
7 I'll ask you to prepare a revised order. I think you said
8 you want to prepare a proposed revised order that takes
9 account of the -- into account the amended schedules that you
10 filed with your reply.

11 MR. ELLMAN: And to refer to the overruling of the
12 objections to the extent not resolved, and then I know we
13 also have committed to filing the supplement by next week as
14 well.

15 THE COURT: Yes. So I'll ask you to prepare the
16 amended order. I'll waive presentment of the amended or
17 revised order you're going prepare. I'll review it when it
18 comes in. You don't need to wait to submit that order to
19 file the supplement --

20 MR. ELLMAN: Okay.

21 THE COURT: -- or vice versa. In other words,
22 submit the order as soon as possible. You got to wait to
23 file the supplement.

24 MR. ELLMAN: They're separate.

25 THE COURT: You can take the week.

1 MR. ELLMAN: Basically they're separate.

2 THE COURT: I'm not going to hold the order up for
3 the supplement.

4 MR. ELLMAN: I got you.

5 THE COURT: I'm sure and I trust that you will file
6 the supplement and I will understand it when you file it, and
7 it'll take care of my -- it'll answer my question.

8 MR. ELLMAN: Thank you, your Honor, very much.

9 THE COURT: So anything else about this motion that
10 you think we need to discuss today, Mr. Ellman?

11 MR. ELLMAN: Not from me, your Honor. Thank you.
12 No.

13 THE COURT: All right. Thank you all.

14 MR. ROSENBLAT: Thank you, your Honor.

15 THE CLERK: Please rise.

16 (Proceedings concluded at 3:34 p.m.)

INDEX

WITNESSES:

None

EXHIBITS:

None

I certify that the foregoing is a correct transcript from the sound recording of the proceedings in the above-entitled matter.

/s/ Lois Garrett

April 22, 2015

Lois Garrett